

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Business Development Division)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref.No.: RFC/LA-12(4)/127

Dated : 11.01.2016
12

CIRCULAR
(LA No. 646)
(CPBD-24)

Reg:- Scheme for Financing Guest Houses.

P.A.
DM (Loan)

All other offices

The Scheme for financing guest houses was circulated vide PG Circular No. 1249 dated 11.12.2008.

As per scheme, financial assistance may be considered for construction of new guest house, addition/ alteration /renovation/expansion of the existing building, for acquisition of P&M, Electrification and Kitchen Equipment etc. Loan amount under the scheme may be considered from Rs. 10 lacs to Rs. 100.00 lacs subject to ceiling of 60% of MRV of land & building.

Eligibility of loan amount was reviewed and modifications were circulated vide PG circular 1260 dated 21.4.2009 and PG Circular no. 1325 dated 14.06.2010.

Looking to the increase in market rate of land and construction cost of buildings, references were received from field offices to increase maximum loan limit of Rs. 100.00 lacs.

The matter was placed before the Board of Directors in its meeting held on 29.12.2015 and it has been decided to raise the ceiling of loan under the scheme from Rs. 100.00 lacs to 300.00 lacs. It is also to be ensured that there are no disputes on the property to be mortgaged and all taxes are paid. NOC from Local authority for running the guest house may be obtained before considering financial assistance under the scheme. The other terms & conditions of the scheme shall remain unchanged.

All concerned are advised to make necessary changes in the scheme at appropriate place and act accordingly.

Maneesh Chauhan
(Maneesh Chauhan)
Managing Director

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1. Standard circulation at HO.
2. All Branches/SOs/A&I

12.01.16

rfc

RAJASTHAN FINANCIAL CORPORATION

HO : Udyog Bhawan, Tilak Marg, C-Scheme,
Jaipur-302 005

Phone : 2385522

Ref. No. RFC/LA-12(4)/ 761.

Dated : 25.08.2010

26.

The Branch Manager,
Rajasthan Financial Corporation,
AJMER.

Reg : Financing of Guest Houses in the Pushkar Area of Ajmer.

Dear Sir,

The matter regarding consideration of financial assistance below Rs. 10.00 lacs to the Pushkar area was placed before PC&CC in the meeting held on 18.08.2010. It has been decided to allow B.O. Ajmer to consider loan not less than Rs. 5.00 lacs in place of Rs. 10.00 lacs under Guest House Scheme subject to other norms & provisions of the scheme, only for the Pushkar vicinity.

Accordingly, you are advised to take a note & ensure compliance with immediate effect.

Thanking you,


EXECUTIVE DIRECTOR

P&G/RFC/1325

RAJASTHAN FINANCIAL CORPORATION

(Credit Appraisal Section)

Udyog Bhawan
Tilak Marg
Jaipur-302 005

Ref. RFC/LA-12 (4) / 434

Date : 14.06.2010

CIRCULAR
(LA No. 545)

Reg. : Scheme for Financing Guest houses

Attention is invited to PG Circular No. 1249 dated 11.12.08 and PG Circular No. 1260 dated 21.04.09 on the subject cited above.

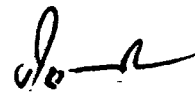
The PC &CC in the meeting held on 09.06.2010 has reviewed the scheme considering suggestions received from entrepreneurs/ industrial associations.

It has been decided to make the following amendments in the scheme :

- a. Maximum Loan may be considered up to 70% of MRV of land/ and building as the case may be as per PG Circular No. 1260 dated 21.04.09.
- b. Repayment period may be considered upto 7 years including moratorium period not exceeding 12 months
- c. Rate of interest shall be as applicable from time to time for hotel projects, presently it is @ 12.5% per annum.

Necessary amendments may be made in the respective paras of the scheme. Other norms shall remain unchanged.

All concerned are advised to take a note of above and ensure compliance of the same with immediate effect.



(G.S. Sandhu)

Chairman & Managing Director

Copy to :

1. Standard circulation at HO.
2. All Branches/SOs
3. DGM(A&I), Eastern & Western Zones.

RFC/P&G/ 1260

RAJAASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Head Office
Tilak Marg
Jaipur

Ref. No. RFC/LA-12(4)/89

Dated : 21.04.2009

: P&G CIRCULAR :
(LA No. 504)

Reg : Scheme for Financing Guest Houses.

Detailed guidelines were circulated vide P&G Circular No. 1249 dated 11.12.2008 regarding a Scheme for Financing Guest Houses. Enquiries have been received from field offices regarding the nature of titles of land and the requirement of approved building plan for sanction of loan under the Scheme.

The matter was examined in detail and it has now been decided that the maximum loan shall be restricted upto 60% of MRV of the existing land and building for those projects where building plan duly approved by the competent authority alongwith clear mortgageable and marketable titles is available. In other remaining cases having clear mortgageable and marketable titles (Residential/Commercial/Guest houses/Hotel/Tourism purpose), except approved building plan, the maximum loan under the scheme shall be restricted upto 60% of MRV of the existing land only subject to the submission of prescribed undertakings & fulfillment of other norms of the Scheme.

All concerned are advised to take a note of above and ensure compliance of the same.


(ATUL KUMAR GARG)
CHAIRMAN & MANAGING DIRECTOR

Copy to :

1. Standard Circulation at HO.
2. All Branch Offices/Sub-Offices
3. DGM (A&I) Eastern & Western Zones.

RAJASTHAN FINANCIAL CORPORATION
(LOANS SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref. No. RFC/LA-12(4)/1593

Dated: 11.12.2008

P&G CIRCULAR
(LA No. 498)

REG: SCHEME FOR FINANCING GUEST HOUSES

Rajasthan has been endowed with the natural and heritage properties which attract the tourists into the state from all parts of the country and from abroad as well. The State is a hot tourist destination and the Corporation has also a lot of business potential in this sector.

The Board of Directors in its meeting held on 08.12.2008 has approved a loan scheme for the tourism sector in the name of "Scheme for financing Guest Houses" to provide cheaper accommodation to the prospective tourists, professionals and other visitors and to make their stay more comfortable at places which have potential for such visitors.

Financial assistance under this scheme shall be considered to the prospective borrowers under specified constitution as per norms which have land /space at some prime location with neat and tidy surroundings at places which have potential for tourists, professionals and other visitors in the State.

Financial Assistance under the scheme shall be available for construction of new guest house, addition/ alteration /renovation/ expansion of the existing building to make it suitable for guest house accommodation and for acquisition of plant & equipments etc. Loan applications under the scheme shall be processed as per prevailing norms as a viable project.

The loan granted by the Corporation shall be secured by equitable mortgage of the land, building and plant & equipments of guest house. The title documents of the property should be marketable and mortgageable and should be in the name of the applicant concern.

The maximum loan admissible under this scheme shall be 60% of the MRV of the existing land and building (to be calculated as per prevailing norms of the Corporation).

Term loan ranging from Rs. 10.00 lacs to Rs. 100.00 lacs shall be considered under the scheme, depending upon security margin/security of loan.

Rate of interest and timely payment rebate shall be as applicable from time to time for Tourism and Hospital projects.

The Scheme for financing Guest Houses is enclosed herewith and marked as Annexure "A".

All concerned are advised to give wide publicity of the scheme and Branch Managers shall attempt to fetch maximum business under the scheme.

All concerned are advised to take a note of above and ensure compliance of the same.


(A.K. Garg)

Chairman & Managing Director

Encl : As Above.

Copy to :

- 1- Standard Circulation at HO,
- 2- All Branches /Sub-Offices,
- 3- DGM (A&I) Eastern & Western Zone,

RAJASTHAN FINANCIAL CORPORATION

(Loans Section)

REG: SCHEME FOR FINANCING GUEST HOUSES

Rajasthan has been endowed with the natural and heritage properties which attract the tourists into the state from all parts of the country and from abroad as well. The State is a hot tourist destination and the Corporation has also a lot of business potential in this sector. For financing in the tourism sector the Corporation has already existing scheme for financing Hotels, scheme for financing Dhabas and scheme for Paying Guest Accommodation.

It is proposed to launch another scheme for tourism sector in the name of Scheme for financing of Guest House to provide cheaper accommodation to the prospective tourists, professionals and other visitors and to make their stay more comfortable at places which have potential for such visitors.

A. Eligibility

Financial assistance under this scheme shall be considered to the prospective borrowers under specified constitution which fulfills the following:

- a) have land /space at some prime location with neat and tidy surroundings at places which have potential for tourists, professionals and other visitors in the State in order to construct rooms and other facilities which may made available to tourists, professionals and other visitors.
- b) should be a technically feasible and economically viable project so that adequate cash surplus is generated for servicing the loan.

B. Purpose

Financial Assistance shall be considered under the scheme for the following purposes:

- a) For construction of new guest house, addition/ alteration.

/renovation/ expansion of the existing building to make it suitable for guest house accommodation;

- b) For acquisition of plant & equipments, electrification, air conditioning and other amenities essential for the guest house accommodation.
- c) To equip the kitchen with the modern appliances so as to provide necessary facilities like cooking range, fridge, water filter, water cooler etc.

C. Security

The loan granted by the Corporation shall be secured by equitable mortgage of the land, building and plant & equipments of guest house. The title documents of the property should be marketable and mortgageable and should be in the name of the applicant concern.

The maximum loan admissible under this scheme shall be 60% of the MRV of the existing land and building (to be calculated as per prevailing norms of the Corporation).

D. Financial parameters:

i) Margin of Security:

For land ,new building & P&M and MFA	30%
For old building	50%
For furniture & fixtures	50%

ii). Debt equity ratio

2:1 ✓

iii). Promoter's contribution

40%

E. Amount of loan

Term loan ranging from Rs. 10.00 lacs to Rs. 100.00 lacs shall be considered under the scheme, depending upon security margin/security of loan mentioned above.

F. Rate of Interest

Rate of interest and timely payment rebate shall be as applicable from time to time for Tourism and Hospital projects.

G. Repayment period

The loan shall be repayable in 6 years including 12 moratorium period in Equated Quarterly Instalments through PDCs.

H. Undertaking

The concern/ company shall submit an undertaking stating that they shall obtain all necessary approvals /permissions /licensees, required for the concerned project and shall renew /keep them valid during the currency of loan of the Corporation.

I. Sanctioning Authority

The loan under the scheme shall be sanctioned by various sanctioning authorities as per the prevailing delegation of powers for sanction of loan.